

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0046-01
Bill No.: HB 368
Subject: Veterans; Military Affairs
Type: Original
Date: February 18, 2011

Bill Summary: This proposal creates an identification card for veterans.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue*	(\$826,686)	(\$493,660)	(\$496,952)
Total Estimated Net Effect on General Revenue Fund*	(\$826,686)	(\$493,660)	(\$496,952)

* Oversight assumes the costs for the veterans' ID program could be less than stated if not all eligible veterans apply for an identification card.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	6 FTE	6 FTE	6 FTE
Total Estimated Net Effect on FTE	6	6	6

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri Veterans' Commission (VET)** state they would be responsible for creating an identification card for eligible veterans. VET assumes the need for 6 FTE to cover the operations of this program. VET also assumes the need for Capture system equipment, software, development, testing, installation, and training at a one-time cost of \$350,000. VET also assumes an annual cost for software and hardware maintenance of \$25,000.

The VET states there are 505,000 veterans in Missouri. VET assumed all 505,000 veterans will request and receive a card during the three year window of the fiscal note (168,333 veterans per year, or 505,000/3). VET assumes the cards will cost \$1.20 each. VET also assumes funding for this program will come from the General Revenue Fund. VET assumes a cost of roughly \$823,000 in FY 2012, \$540,000 in FY 2013 and \$549,000 in FY 2014.

Oversight has, for fiscal note purposes only, changed the starting salary for VET's Veterans Service Officer to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees and policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

ASSUMPTION (continued)

The proposal is silent in regards to a funding source; therefore, **Oversight** will assume the program will be funded from the General Revenue Fund. Oversight assumes not all of Missouri's veterans will request an identification card; however, Oversight has no information that would enable us to estimate the number of veterans that will apply for a card or in which fiscal year the application may be received/processed by the Veterans' Commission. Therefore, Oversight will use VET's estimates.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Costs - Missouri Veterans' Commission</u>			
Personal Service (6 FTE)	(\$142,980)	(\$173,292)	(\$175,025)
Fringe Benefits	(\$74,836)	(\$90,701)	(\$91,608)
Capture System Equipment	(\$350,000)	\$0	\$0
Other equipment and expenses	(\$56,870)	(\$27,667)	(\$28,319)
Identification cards (168,333 x \$1.20) *	<u>(\$202,000)</u>	<u>(\$202,000)</u>	<u>(\$202,000)</u>
<u>Total Costs - VET</u>	<u>(\$826,686)</u>	<u>(\$493,660)</u>	<u>(\$496,952)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND *			
	<u>(\$826,686)</u>	<u>(\$493,660)</u>	<u>(\$496,952)</u>
Estimated Net FTE Change for General Revenue	6 FTE	6 FTE	6 FTE

*** Oversight assumes the costs for the veterans' ID program could be less than stated if not all eligible veterans apply for an identification card.**

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

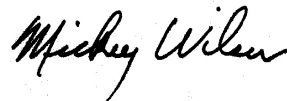
This bill requires the Missouri Veterans Commission to issue an identification card to each veteran in the state who applies for the card and provides proof of his or her military service as specified in the bill, including proof of his or her honorable discharge. The bill specifies the information that must be listed on the card and how to replace a lost or stolen card.

The identification card must include a phone number operational twenty-four hours a day, seven days a week that a person may call to verify the validity of the identification card.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Veterans' Commission
Office of the Secretary of State



Mickey Wilson, CPA
Director
February 18, 2011